KEY DIMENSIONS OF THE NEIGHBORHOOD STORE IMAGE

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Abstract

Data from different Norwegian communities were analysed in order to identify store image dimensions. Two approaches to the study of store images showed somewhat different results. Open-ended questions about the most important reason for store selection were chosen as the most adequate approach for the purpose of this paper. The results provided by this approach were compared with corresponding findings from American and Dutch communities. Key dimensions of the specific image of the neighborhood store were identified by focusing on the strategic market segment of neighborhood store customers. Of three potential key dimensions, location and shopping environment appeared most important.

Introduction

In retailing, and especially in grocery distribution, the neighborhood store has a long tradition. A large number of stores of this type has been replaced by larger and more distant stores, as a consequence of general historical processes, such as the industrialization and urbanization, as well as the economic and geographic concentration tendencies within the distribution system. In recent years, the importance of the neighborhood store seems, however, to have been more widely recognized again. For instance, in the Scandinavian countries public policies have been developed to support and maintain this type of grocery stores (Ekhaugen, Grønmo and Kirby, 1980).

From the consumer's point of view the neighborhood stores may be important in several ways. First, for some consumers, particularly those who have small transportation and storage capacities, the availability of a store near the residence may be necessary for their need for a regularly supply of groceries. Second, the neighborhood stores may have various psycho-social functions that cannot be fulfilled by more distant stores in a more concentrated distribution system. Through regularly visits to a store in their neighborhood, the consumers may establish stable personal contacts and take part in interpersonal communication and social interaction, which may strengthen their integration in the local community (Stone, 1954).

In general, neighborhood stores may be expected to have some attributes that distinguish this type of stores from other stores, and which may be quite important for various consumer groups. The purpose of the present paper is to identify the most important of these specific attributes of neighborhood stores. Data from consumer surveys in three different Norwegian communities will be analysed in order to identify key dimensions of the neighborhood store image.

Theoretical Background

Since the pioneering article by Martineau (1958), many attempts have been made to identify and specify different attributes of stores, which are important for consumers, and which may be considered as elements or components of the general image of the store. In his review of a number of theoretical and empirical store image studies, Lindquist (1974-75) found that the following attributes were most frequently referred to as important elements of the store image: Merchandise selection or assortment, Merchandise quality, Merchandise pricing, Locational convenience, Merchandise styling, fashion, General service, and Salesclark service.

It is evident, however, that the value of such general lists of store attributes for the analyses of store images is rather limited. The results of previous research have indicated great variation in store images between product categories (King, 1978) and market structures (Arnold, Ma and Tigert, 1978). On this background it seems reasonable to follow the advice of Lindquist (1974-75, p. 37):

> "The research should strive to identify key image dimensions and the relative use of such dimensions by various market segments as a function of both retail store type and merchandise/ service type."

In line with this research strategy the present paper will focus on the key image dimensions of one specific store type, the neighborhood store, and examine the variations in the relative use of these dimensions among consumers in three Norwegian communities with different market structures. In this analysis, the customers of neighborhood stores will be especially emphasized.

The neighborhood store may be defined objectively, primarily in terms of location, as a store which is near to the consumer's residence. Thus, neighborhood store customers are consumers who do most of their grocery shopping in one of the nearest stores. The image of the neighborhood store, is, however, defined subjectively, according to the customers' perceptions and evaluations of different attributes of the store (location as well as other attributes).

In the relatively large literature on store image research we do not find much investigation on the specific attributes of neighborhood stores. A review of the existing literature on neighborhood stores, particularly from the Scandinavian countries, leads, however, to a set of potential dimensions of the specific image of the neighborhood stores (Lund and Haugstveit, 1975; Nilsson, 1975, 1977; Petersen, Strøm and Lund, 1978; Widman, 1975; Aas, 1971):

1. Location: The neighborhood store is located at a short distance from the consumer's residence

2. Shopping Environment: The neighborhood store is frequently characterized by friendly personnel, pleasant store atmosphere, and good possibilities for social contact and interaction

3. Size: The neighborhood store is often a relatively small store, with a limited merchandise assortment, characterized by low complexity.

A common characteristic of these three potential dimensions of the specific neighborhood store image seems to be their focus on organizational aspects of the store rather than merchandise factors (price, quality, etc.). The present paper aims at examining whether each of the three potential factors really is a significant dimen-

sion of the neighborhood store image, and which of the three factors is the most important dimension. A basic principle for this study is that the measure of attribute importance should be provided by the retailer's customers (Hansen and Deutscher, 1977-78). Thus, the following hypothesis will be tested:

H: Use of the nearest stores is positively related to three important store image dimensions: Location, shopping environment, and size.

The Data

The data to be analysed were collected in 1976-77 from random samples of the adult population (16-74 years) in three different Norwegian communities. 806 individual respondents from the three communities were interviewed. The questions related to a number of background variables and consumer behavior variables, including shopping activities in the respondents' households. The overall response rate amounted to 72 per cent. As compared with census data on criteria of age and sex for each of the three communities, the final samples do not seem to be biased.

In order to maximize the variations in market structure among the selected communities, the selection of communities was guided by three criteria: Degree of urbanization, degree of industrialization, and degree of store concentration. The first community is Halden, which is located in the south eastern part of Norway. The number of inhabitants is about 27.000. The community is characterized by a high degree of urbanization, industrialization and store concentration. It will be referred to as the urban, concentrated community. The second community includes the areas of Oppdal and Rennebu in the middle part of the country. These areas have some 9.000 inhabitants. The degree of urbanization and industrialization is low, but the distribution system is relatively concentrated. The community will be referred to as rural, concentrated. The third community consists of the areas of Seljord, Kviteseid and Tokke in the eastern part of Norway. This community has about the same number of inhabitants and the same degree of urbanization and industrialization as the second one. On the other hand, the distribution system is less concentrated. The community will be referred to as rural, scattered.

Two Methodological Approaches to the Study of Store Images

As pointed out by Jain and Etgar (1976-77), we may distinguish between two different research methodologies in store image studies. The first methodology consists in asking the respondents to indicate their relative evaluation of prespecified store attributes, such as given physical properties and pshychological characteristics of store. In the second approach, unstructured instruments are used to obtain store descriptions. Respondents are asked open-ended questions concerning the things they like or dislike about particular stores.

In the present study, both methodologies were used. The results of the first methodology are presented in Table 1.

The respondents were asked to evaluate each of the store attributes that are listed in Table 1. They were requested to describe each attribute as a very important, important or unimportant aspect of grocery stores in general. As the table shows, the merchandise quality is considered as the most important attribute, while

friendly personnel is the second ranked attribute. Other store characteristics that are considered to be important, are low prices, effective personnel, and little queue. This pattern is quite stable. The analysis showed no significant difference between neighborhood store customers and other consumers, and only small differences were found between communities, between males and females and between age categories.* Previous Norwegian studies, using the same methodology, also show similar tendencies (Lund and Haugstveit, 1975; Petersen, Strøm and Lund, 1978).

TABLE 1
CONSUMERS' EVALUATION OF
DIFFERENT ATTRIBUTES OF GROCERY STORES

STORE ATTRIBUTE	EVALUATION			NO ANSWER	SUM	N
	Very important	Important	Unimportant			
High quality of merchandise	80	18	0	3	100%	806
Friendly personnel	66	29	1	4	100%	806
Low prices	57	34	3	6	100%	806
Effective personnel	53	33	6	8	100%	806
Little queue	51	36	6	7	100%	806
Easy to park	52	26	17	5	100%	806
Varied assortment	47	40	9	4	100%	806
Self-service	37	34	24	5	100%	806
Location near residence	34	33	27	6	100%	806
Long opening hours	24	22	47	7	100%	806
Location near working place	21	19	42	18	100%	806

The main impression from this first methodology is that various aspects of merchandise are more important than the hypothesized, potential dimensions of the specific neighborhood store image. To the extent that these potential dimensions are evaluated as important, the shopping environment, in terms of friendly personnel, seems to be the most important dimension. Location apparently is less important. It should be noted, however, that the third potential dimension, size of the store, was not included in the prespecified list of attributes.

The second approach consists of an open-ended question about the consumers' single most important reason for their selection of grocery stores. The answers were content analysed and grouped into the categories of reasons that are listed in Table 2.

The average distribution for all communities is somewhat different from the pattern indicated by Table 1. The major difference is that location seems to be more important according to Table 2 than it is according to Table 1. As a reason for store selection, location seems to be as important as merchandise attributes, and more important than shopping environment (store atmosphere and personnel attributes).

Moreover, the reason-for-selection-approach indicates greater variations between different consumer groups than the evaluation-of-attributes-approach does. As shown in Table 2, there are significant differences between the urban community and the two rural communities.** The main difference is that merchandise attri-

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*Chi-square-tests were used to examine the significance of the differences.

**Chi-square-tests (p < .001).

butes are more important than location as reason for
selection of grocery stores. This pattern is consis-
tent with results from previous attribute importance
studies. Some findings from different cities in North
America and the Netherlands are presented in a review
article by Arnold, Ma and Tigert (1978). These studies
are based on mainly the same methodological approach as
Table 2, and they were all completed at the same time
as this Norwegian survey, but the American and the
Dutch samples seem to be drawn from more urbanized
areas. The comparison of all these studies indicates
that merchandise characteristics and location are among
the most important attributes in all communities and in
all countries. Merchandise characteristics are more
important than location in all the urban communities,
but not in the two rural Norwegian communities. Howe-
ver, the responses from the American and the Dutch com-
munities are more concentrated on the two most impor-
tant store attributes (location and merchandise) than
the responses from the Norwegian communities. This
cross-cultural comparison indicates, furthermore, that
shopping environment is almost as important in the Net-
herlands as in Norway, but quite insignificant in the
North-American cities. On the basis of these patterns,
the following preliminary hypothesis might be suggested
for further investigation: Merchandise characteristics
may be described as an urban dimension, location as a
rural dimension, and shopping environment as a European
dimension. An explanation of such differences might be
that the greatest variations are found in urban areas
as far as assortment in concerned, in rural areas with
respect to distances, and in Europe as to shopping en-
vironment.

TABLE 2

CONSUMERS' MOST IMPORTANT REASON FOR THEIR SELECTION OF
GROCERY STORE, IN DIFFERENT COMMUNITIES

MOST IMPORTANT REASON	TYPE OF COMMUNITY			AVERAGE FOR ALL COMMUNITIES
	Urban, concentrated	Rural, concentrated	Rural, scattered	
	%	%	%	%
Distance, location	12	21	26	20
Shopping environment	13	9	8	10
Personnel attributes	2	3	2	2
Size of the store	2	1	0	1
Merchandise attributes	31	19	14	21
Service	5	6	14	8
Connections, business relations	3	22	11	13
Habits, customs	23	9	15	15
Other reasons	9	10	10	10
SUM	100	100	100	100
N	242	318	246	806

Another difference between Norwegian community types is
indicated by Table 2. Reasons related to habits and
customs are more important and reasons related to con-
nections and business relations are less important in
the urban community than in the other two communities.
The latter reasons are primarily mentioned by members
of the consumer cooperative movement, who do most of
their grocery shopping in one of this movement's own
stores. These reasons seem to be especially important
in the concentrated rural community, where the coopera-
tive movement has a strong position. Habits and cus-
toms are emphasized as reasons for store selection by
consumers which continue to shop in a specific store
because they once started to shop there. Although the-
se reasons do not reflect a conscious support to the
neighborhood store, such "traditional" behavior may of-
ten imply a loyalty to this type of stores, because
such stores usually are older and have longer traditions
than other stores.

To summarize, we may say that the evaluation-of-attri-
butes-approach reflects general attitudes to different
aspects of any retail store whatever, while the reason-
for-selection-approach focuses on the specific attribu-
tes that discriminate the selected store from other
stores (Arnold, Ma and Tigert, 1978). Thus being more
sensitive to variations in market structure, the latter
approach seems to be more appropriate than the former
for the purpose of comparing different communities.
Another difference between the two approaches is that
the open-ended question about the most important reason
for store selection gives more information about the sa-
liency of the various store image dimensions than the
other approach (Jain and Etgar, 1976-77). For the follo-
wing analysis of key image dimensions of a specific sto-
re type, this information about saliency is of great in-
terest. The purpose is not to describe the general sto-
re image as completely as possible, but to identify the
most important dimensions of the specific neighborhood
store image. The reason-for-selection-approach will
now be used in an attempt to identify these dimensions.

Key Dimensions for a Strategic Group of Consumers: The Neighborhood Store Customers

The research strategy is to get information about attri-
bute importance from the retailer's own customers (Han-
sen and Deutscher, 1977-78). This implies that the
strategic market segment for the analysis of key dimen-
sions of the neighborhood store image is the group of
stable neighborhood store customers. The question is
whether this group reports on a store image that is
different from the store images among other groups.
Building on the methodological approach presented in
Table 2, we will now focus on this strategic consumer
group. The intention is to examine how important the
potential dimensions of the specific neighborhood store
image really are, rather than how important the consu-
mers in general think they could be.

Neighborhood store customers can be defined as consu-
mers who do most of their grocery shopping in one of
the stores which are nearest to their homes. Consumers
who usually shop in stores that are significantly more
distant than the nearest one, will not be considered as
neighborhood store customers. The neighborhood store
customers can be described as stable if they do most of
their grocery shopping in one store instead of using
different stores.

This group of stable neighborhood store customers will
be compared to other consumer groups as to the most im-
portant reason for their selection of grocery store.
This comparison is presented separately for the rural
communities (Table 3) and the urban community (Table 4).
The two rural communities are considered together, sin-
ce there were no significant differences between the
two samples with respect to the patterns which will be
emphasized here.*

The tables show that more than four fifths of the con-
sumers in the rural communities are neighborhood store
customers (one or several of the nearest stores used),
while only one half of the consumers in the urban com-
munity can be described as such customers. However, as
indicated by the tables, most of the neighborhood store
customers in both community types can be characterized
as stable (one of the nearest stores used). In sum,
this strategic group of stable neighborhood store cus-
tomers includes 73 per cent of the consumers in the ru-
ral communities and 44 per cent of the consumers in the
urban community.

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*The significance of the differences was examined by
means of chi-square-tests.

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TABLE 3
RELATIVE IMPORTANCE OF IMAGE DIMENSIONS AMONG CONSUMERS WITH DIFFERENT STORE SELECTIONS RURAL COMMUNITIES

MOST IMPORTANT REASON FOR STORE-SELECTION	STORES SELECTED			AVERAGE FOR ALL CONSUMERS
	One of the nearest stores used	Several of the nearest stores used	More distant store(s) used	
	%	%	%	%
Distance, location	30	0	9	24
Shopping environment	13	0	13	12
Size of the store	1	0	0	0
Merchandise attributes	11	49	20	17
Service	12	4	9	11
Connections	16	0	27	16
Habits	14	0	16	12
Other reasons	3	47*	6	8
SUM	100%	100%	100%	100%
N	355	53	75	483

* Most of these respondents reported on various "practical" reasons (other than locational factors) for selecting different stores.

The hypothesis to be tested refers to the key dimensions of the store image that is specific to the neighborhood store. This hypothesis may be tested by identifying the reasons for store selection that is emphasized significantly more among consumers using one of their nearest stores than among other consumers. For this purpose chi-square-tests can be used to examine the significance of the differences.

Table 3 shows that in the rural communities location is more important and merchandise attributes as well as connections are less important among stable neighborhood store customers than among other customers. These differences, which are significant (p < .001), means that location is the key dimension of the neighborhood store image in the rural communities.

TABLE 4
RELATIVE IMPORTANCE OF IMAGE DIMENSIONS AMONG CONSUMERS WITH DIFFERENT STORE SELECTIONS URBAN COMMUNITY

MOST IMPORTANT REASON FOR STORE-SELECTION	STORES SELECTED			AVERAGE FOR ALL CONSUMERS
	One of the nearest stores used	Several of the nearest stores used	More distant store(s) used	
	%	%	%	%
Distance, location	23	0	4	12
Shopping environment	21	0	10	14
Size of the store	2	0	2	2
Merchandise attributes	14	50	44	31
Service	5	5	6	5
Connections	4	0	2	3
Habits	31	0	23	25
Other reasons	0	45*	9	8
SUM	100%	100%	100%	100%
N	96	20	103	219

* Most of these respondents reported on various "practical" reasons (other than locational factors) for selecting different stores.

Table 4 shows that in the urban community location as well as shopping environment are more important and mer-

chandise attributes are less important among stable neighborhood store customers than among customers of other stores. According to these significant (p < .001) differences, location and shopping environment are the key dimensions of the neighborhood store image in the urban community.

In sum, the hypothesis is largely supported by the analysis: It is possible to identify a specific neighborhood store image, and this image refers to organizational and institutional aspects of the store rather than merchandise attributes. Location is a key dimension of this image in both urban and rural areas. However, shopping environment seems to be a key dimension only in urban areas, and size seems to be insignificant in all community types.

Summary and Conclusions

The purpose of the present paper has been to study the importance for the consumers of the neighborhood store. On the background of the literature on theoretical and methodological approaches to the study of store images as well as empirical findings from previous research, the following hypothesis was formulated:

> Use of the nearest stores is positively related to three important store image dimensions: Location, shopping environment, and size.

In order to test the hypothesis, consumer survey data from three Norwegian communities with different market structures were analysed.

Of the two most frequent approaches to the study of store image dimensions, open-ended questions about the most important reason for store selection were chosen as the more appropriate approach for our purpose. Compared with questions about relative evaluation of pre-specified store attributes, the chosen methodology is more sensitive to variations in market structure and gives more information about the saliency of the various image dimensions.

A comparison of the results provided by this approach with corresponding findings from American and Dutch communities showed that merchandise characteristics and location are among the most important store attributes in all countries and in all types of communities. Building on the variations between different communities, it might be hypothesized that the merchandise characteristics can be described as an urban dimension, the location as a rural dimension, and the shopping environment as a European dimension.

The key dimensions of the specific neighborhood store image were identified by focusing on those consumers who are stable customers in this type of store. This strategic market segment includes 73 per cent of the consumers in the rural communities and 44 per cent of the consumers in the urban community.

The hypothesis was largely, but not completely, supported by the analysis. Location is a key dimension of the specific neighborhood store image in all community types, shopping environment seems to be a key dimension only in the urban community, and size seems to be a key dimension in none of the community types.

These findings have several implications. One implication is that both large and small grocery stores might be perceived as neighborhood stores. Usually, however, there is a close relationship between size of the store and degree of urbanization, which means that large neighborhood stores are likely to be localized only in

densely populated areas.

As shown in previous research, the shopping environment seems to be less important as a store attribute in American communities than it is in Europe. Thus we might expect that the relative importance of location as a predominant dimension of the specific neighborhood store image is even greater in USA than it is in European communities. Further research is needed to test this hypothesis.

In any case, location seems to be among the most important attributes of grocery stores in different countries as well as in different types of communities. This fact indicates that the neighborhood store may have important functions irrespective of the degree of mobility or transportation capacity among the consumers. Thus we might expect that the neighborhood store will be an important store type also in future grocery distribution. In this connection, it would, however, be of interest to identify and specify the demographic and socio-economic characteristics of the stable neighborhood store customers.

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